

Questions and Answers from the Close/Open Meetings FY2004/05

Vendor Questions

1. What is the VU cut off date?

All PSS approved transactions and VUs in DONE status close of business Tuesday, June 22, 2004 will convert in the second vendor conversion. Once the second conversion is complete, vendor changes necessary for FY04 accounts payable processing should be entered into both OldMMARS and NewMMARS.

2. Will there be changes to vendor web because of the vendor code conversion?

Yes, vendors will be able to access vendor web using either their TIN or their new VC codes.

3. Will there be openorder vendor codes?

No, there will not be a Vendor Code called Openorder. However, in NewMMARS, for the CT and PH documents, there is an accounting Event Type (PR51) that equals Openorder and will serve the same functionality as the current MMARS Openorder vendor code. For CT documents that reference a Departmental MA, multi fiscal year encumbering is allowed. For the future fiscal year accounting lines on this type of CT, the Openorder Event Type is PR56. For the GAE document there is also an Openorder Event Type PR54.

The Openorder Event Type is a payment mechanism that allows additional flexibility when the number of vendors and amounts that will be needed are unknown. CTR Policy document *Contracts - Openorder Encumbrances (Event Type PR51, PR54, and PR56)* to be posted soon to the Knowledge Center, provides further guidance on the use of these Event Types.

4. Is there a report of contractors that are being terminated?

A memo was sent to departments explaining the purge criteria and the conversion criteria. If a contractor has not been paid for two years, they were purged automatically. Departments can view the list of terminated contract employees on viewdirect.

5. Is there a report of contract employees that are being converted?

There will be a validation report created for contract employee conversion and departments will receive the list as soon as it is available.

6. How do I set up my contractors with new rates that will be effective on July 1 in NewMMARS, since you'll be rolling these contractors before that?

After the new position is created for a contractor during the conversion process, you will be able to make any salary adjustments necessary during the time period of July 2 to July 9 by changing the information in HR\CMS, just as you do today.

NewMMARS Training and Security

7. How can all users get NewMMARS (NM) information?

Users should go to the CTR Knowledge Center <http://knowledgecenter.osc.state.ma.us/KC/Home.asp> and the NewMMARS project site, <http://www.osc.state.ma.us/newMMARS>. Both can also be reached through the Comptroller Intranet site, <http://www.osc.state.ma.us/>. Departments that are not within MAGNET will need to use VPN.

8. Can I print materials from eLearning modules to take notes on?

No, but the job aids can be printed. We are planning for them to be released with the training modules with which they are associated. There are almost 30 available now.

9. Are the training modules available 24/7?

Yes, but only through the Intranet; therefore, to access them you must be connected through VPN or at your office.

10. What do we use for our files to internally document NM document processing?

It is up to the department and should be documented as part of your internal controls. If you require a wet signature approval, you can use either the one page form we will be providing or a screen print of the final document. Departments will also be able to use electronic documentation; when an individual with Department Head Signature Authorization processes the item to FINAL, the approval is recorded on the document.

11. How long is the LOGON certification effective, for that day or that session?

The LOGON certification will display before each session and will be valid until you either log off or are logged out for inactivity. Users with no activity for more than 15 minutes will be logged out automatically and will need to sign on again to process documents.

12. If I have Administrator security, but not Department Head Signature Authorization (DHSA), will I need to get a wet signature from a DHSA to process? Who do I get the signature from?

Yes, you will need to get a sign off from a person with DHSA for that functional area. The person can sign off on the MMARS document and any underlying supporting documentation. The person with DHSA does not have to use MMARS, but must be defined as such in MMARS.

13. Is there a limit to the number of document templates you can have?

No, there is no limit.

14. How do I keep NewMMARS security coordinated with MMARS security changes?

We are keeping them up to date for you. By giving us the information on our new form, you can ensure that NM is updated with those changes.

Employee Reimbursement

15. What is included in employee reimbursement?

All payments that are reimbursing an employee for Commonwealth expenses paid by them for activities in FY05 and beyond. See the object codes in the BB subsidiary.

16. How will the split pay week effect contract employees?

It is essential that all time for contract employees for FY04 services be entered into HR/CMS prior to the split week payroll (scheduled to run July 9th for check distribution on July 16th). There will be no accounts payable for contract employees.

17. Will employee reimbursement for A/P be handled through NewMMARS?

No, A/P reimbursement will be handled through OldMMARS using a PV.

18. Will there be a form for employee reimbursement for FY2005 using HR/CMS? Who will sign it?

Departments may use existing forms to document employee requests for reimbursement. It is expected that the employee will certify the expenses as they do now and that a manager will approve the payment before it is entered into HR/CMS.

19. I have trust funds and appropriated funds. How do I process employee reimbursements?

All reimbursements for employees paid through HR/CMS or from accounts on MMARS will be processed through the payroll system. Institutions of higher

education that maintain campus based payroll and accounting systems may process reimbursements through this mechanism.

Expenditure Classification

20. Are there going to be new object codes?

To meet new payroll functionality and policies there have been significant updates to the AA, BB, and CC object classes (subsidiaries). The expenditure classification handbook is effective for FY2005 forward and is being updated to identify the NewMMARS transactions. While most object codes in other classes remain the same, it is recommended that a formal review of the complete handbook be done with fiscal staff.

21. When will the expenditure classification handbook for FY2005 be posted on the Web and in the Knowledge Center?

The FY2005 expenditure classification handbook is scheduled to be released on or about May 12.

Misc.

22. What is the accounts payable end of July deadline?

While the technical end of accounts payable is August 31, the dates for completion of payroll transactions is earlier. Because of the change in how contract employees will be processed, there will be **no** accounts payable for these individuals. All regular employee compensation should be paid by the last payroll in July. Under some circumstances, departments may apply for and receive an extension for vendor payments to September 15th.

23. What needs to happen to get the Fund 900 reporting requirement eliminated and where does the Comptroller stand on this issue?

The Comptroller is in support of eliminating the Fund 900 requirement; however, Legislative support is needed to change that requirement.

24. What are the rules for EHS, since they'll be processing for departments?

We are working with EHS to define that process now. Information will be forthcoming.

25. What are the delegation thresholds?

Those thresholds are being worked on. Information will be forthcoming.

26. In handling trust accounts, whom should we call at CTR to assist us with problems?

As with all questions, contact the MMARS Helpline.

27. For ePay (credit card) processing, what are the cash cutoff dates?

The banks deposit date is the cash cut off date. If cash needs to be moved from FY05 to FY04 or vice versa, the Revenue Bureau at CTR will move the cash.

28. Will the outyear roll be an automated process?

Yes, we have attempted to automate the rolls through conversion.

29. Will child accounts be renumbered automatically?

Yes, there will be an automated conversion of both financial and employee information in HR\CMS: PCRS. Departments should verify these conversions when the systems are available to them, prior to processing any FY05 documents.

30. My department has many units/multiple programs. How will they roll?

Anything defined as many to one or one to one will be set up to roll automatically. If the attributes are one to many, they will be converted as "Conv". You will need to fix the attributes on line once we are in production.

31. Will you use ITD's Intempo system to maintain NM security?

During the transition to NewMMARS, Intempo will not be used. This decision will be made later.

32. Will access to other ITD applications be affected by the UAID selection for MMARS?

No, it should not be affected. We have requested you select a primary UAID for NewMMARS. It would be beneficial to your users to have selected a primary UAID, the one that gives them not only the most access to NM, but also to the other applications available on the Gateway.

33. Where do I note the sub-delegations that I currently file with CTR annually?

Since that annual filing goes away, the sub-delegations should be referenced in your internal control plan and should be accessible for quality assurance and audit purposes.

GAAP

34. What are GAAP accounts receivable?

Accounts receivable represent revenues earned and billed during one fiscal period for which the confirming cash is not collected until a later fiscal period. For

example, if a department provides services on June 16, 2004 (FY2004) it would process an FY2004 RE to record a receivable on BARS.

All FY2004 RE's should be posted by July 9. Otherwise, the department will have to take extra steps to communicate with the BARS Unit to report receivables for GAAP, and process the corresponding BARS transaction. When the payment is received, e.g., on July 19, an FY2005 CT document would reference the RE.

35. Is there a federal reimbursement receivable if the claim has not been filed by June 30, 2004?

Yes, provided the reimbursable expenditures have been incurred (the goods were delivered or the service performed) on or before June 30, 2004. A federal reimbursement generates a receivable whenever the underlying expenditure has been incurred but reimbursement has not been received.

36. If a department normally needs 3 weeks to prepare and process an RE, should it propose a BARS accounts receivable adjustment for REs posted on July 16, for services performed on June 25?

No, the department should contact the BARS Unit to process the REs.

37. RPT286F reports a BARS accounts receivable of \$600,000 and the department estimates that \$100,000 will be uncollectible. Is the GAAP accounts receivable \$600,000 or \$500,000?

The \$600,000 BARS accounts receivable and \$100,000 estimated uncollectible should both be reported on the A/R Report. These amounts should not be netted.

38. If branch offices report June cash receipts to the central office on July 2, should the department report a receivable as of June 30?

No, these are still FY2004 receipts. As described in the Closing/Opening Instructions, departments will process FY2004 CT transactions by July 2, and clear all sweep accounts, including Fund 699 (Cash Sweep Clearing Fund) sweep accounts by July 9. Sweep account revenue source codes must have zero balances after that date.

39. On July 16, a department realizes that a CT transaction it input on June 27 did not reference the related RE transaction. How should this be reported for GAAP?

Since FY2004 BARS processing closed on July 9, the department is responsible for coordinating with the BARS Unit to process the adjustment as FY2004 BARS activity. The department should contact its BARS coordinator for assistance.

40. On May 20th, a department writes off \$500,000 uncollectible accounts receivable on its internal system, but does not process WO transactions to record this write off on BARS. Should the department report this as an uncollectible accounts receivable in completing its GAAP Reporting?

Yes, since the write off has not been recorded on BARS, it is necessary for the department to report this \$500,000 as an uncollectible accounts receivable. Please make a note on the RPT286F.

41. Should the department report funds received in trust and on deposit with the State Treasurer?

No. These funds are already on MMARS.

42. Should a department report jewelry or other property as assets held in trust?

Yes. However, departments should exercise caution about assigning a dollar value to this property unless it has been appraised. As trustee, the department is liable for the property if it is lost.

43. How will decentralized multi-facility departments report assets held in trust?

These departments will report the department's total assets held in trust on the form included as Exhibit 6, with a supporting schedule by facility. Specific instructions are included in the Decentralized Departments Supplement.

44. Should the department report all additions and deletions to client/patient bank accounts?

Yes, despite the number of bank accounts involved. To demonstrate the Commonwealth's accountability, it is essential that all additions and deletions in these third-party accounts be reported.

45. Q: If a department or facility estimates its material and supplies at more than \$500,000, what is the format used to inventory (count) and cost it?

Physical inventory sheets prepared and retained by the department are usually organized as follows:

<u>Description</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Item A	10,000	\$ 58	\$580,000
Item B	504	\$100	<u>50,400</u>
			<u>\$630,400</u>

46. What is the difference between "materials and supplies" and "non-GAAP fixed assets"?

Materials and supplies have low unit costs and are items like paper, road salt, fuel oil or medicine that are generally consumed within a year after purchase. Non-GAAP fixed assets have an expected useful life greater than one year and include equipment, furniture, software and vehicles with a historical unit cost between \$1,000 and \$49,999. Examples include lawn mowers, bookcases, hospital beds and personal computer components.

47. Does the department's GAAP materials and supplies inventory reporting satisfy any OSD requirements?

No, these are two different requirements. For GAAP, the cost of materials and supplies available for use in the next fiscal year is needed. Departments needing further assistance in this area should contact the Helpline.

48. How will decentralized multi-facility departments report material and supplies?

They will report the department's total material and supplies in the GAAP Reporting Instructions to be released in the Knowledge Center shortly, with a supporting schedule by facility. Specific instructions are included in the Decentralized Departments supplement.